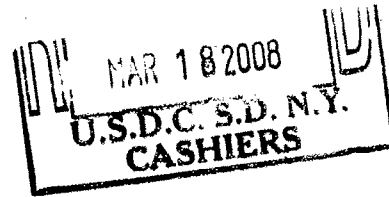


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UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK



----- X
GRAMERCY ARGENTINA OPPORTUNITY FUND,
LTD. and GRAMERCY EMERGING MARKETS
FUND,

Plaintiffs,

-against-

THE REPUBLIC OF ARGENTINA,

Defendant.
----- X

08 CV 2865
COMPLAINT

Gramercy Argentina Opportunity Fund, Ltd. ("GAOF") and Gramercy Emerging Markets Fund ("GEMF," collectively, "Plaintiffs"), by their attorneys, Hughes Hubbard & Reed LLP, for their Complaint allege as follows:

Nature of Action

1. This is an action for breach of contract for principal, plus interest, owed under certain notes issued by defendant the Republic of Argentina (the "Republic"). The case is simple: (i) Plaintiffs are the beneficial owners of the notes; (ii) the Republic has failed to make any payments of principal or interest on those notes; (iii) this failure constitutes a default under

the governing instruments; and (iv) Plaintiffs sent letters declaring the entire principal, together with all unpaid accrued interest, immediately due and payable by reason of the default. Indeed, this Court has repeatedly entered judgment against the Republic for defaulting on debt held by other beneficial owners in circumstances identical to those here. *See, e.g., Franceschi v. Republic of Argentina*, No. 03 Civ. 4693, 2006 WL 2528460 (S.D.N.Y. Aug. 31, 2006); *Lightwater Corp. Ltd. v. Republic of Argentina*, No. 02 Civ. 3804, 2003 WL 1878420 (S.D.N.Y. Apr. 14, 2003). Judgment should be similarly entered against the Republic and in favor of Plaintiffs in this case.

The Parties

2. Plaintiff GAOF is a limited company organized and existing under the laws of the Cayman Islands with a principal place of business in the Cayman Islands.

3. Plaintiff GEMF is a limited company organized and existing under the laws of the Cayman Islands with a principal place of business in the Cayman Islands.

4. Defendant the Republic is a foreign state as defined in 28 U.S.C. § 1603(a).

Jurisdiction

5. This Court has jurisdiction pursuant to 28 U.S.C. § 1330.

6. Venue is proper in this district by consent of the defendant and pursuant to 28 U.S.C. § 1391(f).

The EMTN Notes

7. GAOF is the beneficial owner of certain notes (the “GAOF Notes”), all issued by the Republic pursuant to the Trust Deed dated as of July 27, 1993 (the “Trust Deed”), the Terms and Conditions of the Notes dated as of July 27, 1993 (the “Terms”), and pricing supplements, as part of the Republic’s Euro Medium-Term Note Programme (the “EMTN Programme”), in the

following amounts and having the following identification codes, maturity dates, and interest rates:

Plaintiff	Bond Description	Principal Amount	ISIN	Common Code	Maturity Date	Coupon
GAOF	Schilling Notes	ATS5,505,000	AT0001912331	007572719	March 18, 2004	7%
GAOF	Euro Notes	EUR15,166,000	XS0096960751	009696075	March 18, 2004	7%
GAOF	253 Lira Notes	ITL31,165,000,000	XS0080809253	008080925	March 18, 2004	7%
GAOF	589 Lira Notes	ITL7,560,000,000	XS0081057589	008105758	March 18, 2004	7%

8. GEMF is the beneficial owner of certain notes (the “GEMF Notes,” collectively with the GAOF Notes, the “EMTN Notes”), all issued by the Republic pursuant to the Trust Deed, the Terms, and pricing supplements, as part of the EMTN Programme, in the following amounts and having the following identification codes, maturity dates, and interest rates:

Plaintiff	Bond Description	Principal Amount	ISIN	Common Code	Maturity Date	Coupon
GEMF	Euro Notes	EUR2,379,000	XS0096960751	009696075	March 18, 2004	7%
GEMF	253 Lira Notes	ITL11,980,000,000	XS0080809253	008080925	March 18, 2004	7%
GEMF	589 Lira Notes	ITL2,820,000,000	XS0081057589	008105758	March 18, 2004	7%

9. Section 10 of the Terms defines “Events of Default” to include the following, *inter alia*:

- (a) *Non-Payment*: the Republic fails to pay any principal (or Amortised Face Amount) of any of the Notes when due and payable or fails to pay any interest on any of the Notes when due and payable and such failure continues for a period of 30 days.

(Terms at p. 46.)

10. The Republic has failed to pay interest on the EMTN Notes since 2001 and has never made any payments of principal on the EMTN Notes, even though the maturity dates have passed.

11. By reason of the foregoing, there has been an Event of Default on the EMTN Notes, and the Republic is in breach of its obligations to GAOF and GEMF. This default is continuing.

12. By notice dated May 29, 2007, The Bank of New York, the then trustee with respect to the EMTN Notes, advised that such notes had been “declared immediately due and payable by the [t]rustee or its predecessors.” The Bank of New York also advised, however, that it “does not intend to take any action against the Republic to enforce the terms of the Trust Deed, the [EMTN] Notes and the Coupons” even though “[t]he Republic has shown no intention of honouring the demands for payment made by the [t]rustee and its predecessors. . . .”

13. By letters dated March 18, 2008, GAOF and GEMF advised The Bank of New York Mellon, the new name of the trustee with respect to the EMTN Notes, that they were initiating this action, given that The Bank of New York Mellon, while acknowledging that the EMTN Notes had been declared immediately due and payable, admitted that it had no intention of initiating any action against the Republic on such notes.

14. Upon information and belief, The Bank of New York Mellon has not commenced proceedings against the Republic.

15. Pursuant to sections 17.2-17.4 of the Trust Deed, the Republic (i) appointed Banco de la Nacion Argentina as its agent for service of process, (ii) agreed to submit to the jurisdiction of this Court, and (iii) agreed to waive any claim of immunity, including, but not limited to, sovereign immunity.

16. By reason of the foregoing, the Republic has breached its contractual obligations to GAOF and GEMF and is liable for damages in an amount to be determined at trial, plus interest.

COUNT ONE
Default On The GAOF Schilling Notes

17. Plaintiffs repeat and reallege each of the allegations contained in paragraphs 1-16 as if set forth here at length.

18. As set forth above, GAOF acquired notes (the “GAOF Schilling Notes”) with the principal amount of ATS5,050,000, identified by ISIN AT0001912331 and Common Code 007572719, and continues to own those notes.

19. As set forth above, the Republic has failed to make payments of interest on the GAOF Schilling Notes since 2001 and has never made payments of principal on the GAOF Schilling Notes.

20. As set forth above, there has been an Event of Default on the GAOF Schilling Notes, and the Republic is in breach of its obligations under the Trust Deed and the Terms.

21. By reason of the foregoing, the Republic has breached its contractual obligations and is liable for damages in an amount to be determined at trial, plus interest.

COUNT TWO
Default On The GAOF Euro Notes

22. Plaintiffs repeat and reallege each of the allegations contained in paragraphs 1-16 as if set forth here at length.

23. As set forth above, GAOF acquired notes (the “GAOF Euro Notes”) with the principal amount of EUR15,166,000, identified by ISIN XS0096960751 and Common Code 009696075, and continues to own those notes.

24. As set forth above, the Republic has failed to make payments of interest on the GAOF Euro Notes since 2001 and has never made payments of principal on the GAOF Euro Notes.

25. As set forth above, there has been an Event of Default on the GAOF Euro Notes, and the Republic is in breach of its obligations under the Trust Deed and the Terms.

26. By reason of the foregoing, the Republic has breached its contractual obligations and is liable for damages in an amount to be determined at trial, plus interest.

COUNT THREE
Default On The GEMF Euro Notes

27. Plaintiffs repeat and reallege each of the allegations contained in paragraphs 1-16 as if set forth here at length.

28. As set forth above, GEMF acquired notes (the "GEMF Euro Notes") with the principal amount of EUR2,379,000, identified by ISIN XS0096960751 and Common Code 009696075, and continues to own those notes.

29. As set forth above, the Republic has failed to make payments of interest on the GEMF Euro Notes since 2001 and has never made payments of principal on the GEMF Euro Notes.

30. As set forth above, there has been an Event of Default on the GEMF Euro Notes, and the Republic is in breach of its obligations under the Trust Deed and the Terms.

31. By reason of the foregoing, the Republic has breached its contractual obligations and is liable for damages in an amount to be determined at trial, plus interest.

COUNT FOUR
Default On The GAOF 253 Lira Notes

32. Plaintiffs repeat and reallege each of the allegations contained in paragraphs 1-16 as if set forth here at length.

33. As set forth above, GAOF acquired notes (the “GAOF 253 Lira Notes”) with the principal amount of ITL31,165,000,000, identified by ISIN XS0080809253 and Common Code 008080925, and continues to own those notes.

34. As set forth above, the Republic has failed to make payments of interest on the GAOF 253 Lira Notes since 2001 and has never made payments of principal on the GAOF 253 Lira Notes.

35. As set forth above, there has been an Event of Default on the GAOF 253 Lira Notes, and the Republic is in breach of its obligations under the Trust Deed and the Terms.

36. By reason of the foregoing, the Republic has breached its contractual obligations and is liable for damages in an amount to be determined at trial, plus interest.

COUNT FIVE
Default On The GEMF 253 Lira Notes

37. Plaintiffs repeat and reallege each of the allegations contained in paragraphs 1-16 as if set forth here at length.

38. As set forth above, GEMF acquired notes (the “GEMF 253 Lira Notes”) with the principal amount of ITL11,980,000,000, identified by ISIN XS0080809253 and Common Code 008080925, and continues to own those notes.

39. As set forth above, the Republic has failed to make payments of interest on the GEMF 253 Lira Notes since 2001 and has never made payments of principal on the GEMF 253 Lira Notes.

40. As set forth above, there has been an Event of Default on the GEMF 253 Lira Notes, and the Republic is in breach of its obligations under the Trust Deed and the Terms.

41. By reason of the foregoing, the Republic has breached its contractual obligations and is liable for damages in an amount to be determined at trial, plus interest.

COUNT SIX
Default On The GAOF 589 Lira Notes

42. Plaintiffs repeat and reallege each of the allegations contained in paragraphs 1-16 as if set forth here at length.

43. As set forth above, GAOF acquired notes (the "GAOF 589 Lira Notes") with the principal amount of ITL7,560,000,000, identified by ISIN XS0081057589 and Common Code 008105758, and continues to own those notes.

44. As set forth above, the Republic has failed to make payments of interest on the GAOF 589 Lira Notes since 2001 and has never made payments of principal on the GAOF 589 Lira Notes.

45. As set forth above, there has been an Event of Default on the GAOF 589 Lira Notes, and the Republic is in breach of its obligations under the Trust Deed and the Terms.

46. By reason of the foregoing, the Republic has breached its contractual obligations and is liable for damages in an amount to be determined at trial, plus interest.

COUNT SEVEN
Default On The GEMF 589 Lira Notes

47. Plaintiffs repeat and reallege each of the allegations contained in paragraphs 1-16 as if set forth here at length.

48. As set forth above, GEMF acquired notes (the "GEMF 589 Lira Notes") with the principal amount of ITL2,820,000,000, identified by ISIN XS0081057589 and Common Code 008105758, and continues to own those notes.

49. As set forth above, the Republic has failed to make payments of interest on the GEMF 589 Lira Notes since 2001 and has never made payments of principal on the GEMF 589 Lira Notes.

50. As set forth above, there has been an Event of Default on the GEMF 589 Lira Notes, and the Republic is in breach of its obligations under the Trust Deed and the Terms.

51. By reason of the foregoing, the Republic has breached its contractual obligations and is liable for damages in an amount to be determined at trial, plus interest.

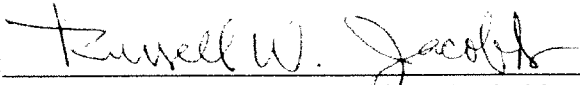
WHEREFORE, Plaintiffs demand judgment as follows:

- i. On Count One, awarding GAOF damages against the Republic in an amount to be determined, plus interest;
- ii. On Count Two, awarding GAOF damages against the Republic in an amount to be determined, plus interest;
- iii. On Count Three, awarding GEMF damages against the Republic in an amount to be determined, plus interest;
- iv. On Count Four, awarding GAOF damages against the Republic in an amount to be determined, plus interest;
- v. On Count Five, awarding GEMF damages against the Republic in an amount to be determined, plus interest;
- vi. On Count Six, awarding GAOF damages against the Republic in an amount to be determined, plus interest;
- vii. On Count Seven, awarding GEMF damages against the Republic in an amount to be determined, plus interest;

- viii. Awarding Plaintiffs costs, prejudgment interest, attorneys' fees and such other and additional relief as the Court deems just and proper.

Dated: New York, New York
March 18, 2008

HUGHES HUBBARD & REED LLP

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